

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

**THE APPLICATION OF MEWBOURNE OIL COMPANY FOR A NON-STANDARD
SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

CASE NO. 14596

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the rules of the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Mewbourne Oil Company
Attn: Mr. Corey Mitchell
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Midland, Texas 79701
(432) 682-3715

ATTORNEY

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STATEMENT OF CASE

Mewbourne Oil Company seeks an order creating a non-standard spacing unit comprised of the E/2 NW/4 and the NE/4 SW/4 of Section 24, of Township 19 South, Range 25 East, NMPM; and pooling all mineral interests in the Undesignated Yeso formation, in this non-standard spacing and proration unit which spacing unit will be the project area for its proposed Wyatt Draw "24" KC Well No. 1- H to be horizontally drilled from a surface location 990 feet from the South line and 1650 feet from the West line of said Section 24 and then in a northerly direction in the Undesignated Yeso formation, to a bottom hole terminus at a location 330 feet from the North line and 1650 feet from the West line of said Section 24.

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This well will penetrate the Yeso formation at an unorthodox location 1295 feet from the South line and 1650 feet from the West line of Section 24, however, the producing interval in the wellbore is within the well's "producing area." Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well.

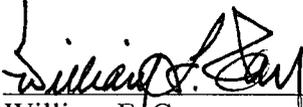
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Mr. Paul Haden Landman	10 Minutes	Approximately 6
Mr. Jason Lodge Geologist	10 Minutes	Approximately 3

PROCEDURAL MATTERS

Mewbourne Oil Company has none at this time.



William F. Carr
Attorney for Mewbourne Oil Company